



United States Department of Agriculture
Risk Management Agency

February 2005

2005 COMMODITY INSURANCE FACT SHEET

Grapes

Idaho, Oregon, Washington

Crop Insured

The crop insured will be all insurable varieties of **grapes** in which you have a share and are grown for wine, juice, raisins, or canning and for which a premium rate is provided by the actuarial table. The grapes must be grown in a vineyard that, if inspected, is considered acceptable by the insurance provider; has reached at least fourth leaf; and has produced an average of two (2) tons of grapes per acre during at least one of the three crop years immediately preceding the insured crop year (unless we inspect and allow insurance on such acreage). Grapes interplanted with another perennial crop are insurable unless the insurance provider inspects the acreage and determines it does not meet the requirements contained in your policy.

Counties Available

Idaho: Canyon

Oregon: Benton, Clackamas, Douglas, Hood River, Jackson, Josephine, Lane, Linn, Marion, Morrow, Polk, Umatilla, Wasco, Washington, and Yamhill

Washington: Benton, Franklin, Grant, Klickitat, Walla Walla and Yakima

Causes of Loss

Adverse weather conditions

Earthquake

Failure of irrigation water supply, if caused by an insured peril that occurs during the insurance period

Fire (unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the vineyard)

Insects (except phylloxera, regardless of cause, and not damage due to insufficient or improper application of pest control measures)

Plant disease (but not damage due to insufficient or improper application of disease control measures); Wildlife; Volcanic eruption

Insurance Period

Year-Round Coverage: For each subsequent crop year that the policy remains continuously in force, coverage begins on the day immediately following the end of the insurance period for the prior crop year. Policy cancellation that results solely from transferring to a different insurance provider for a subsequent crop year will not be considered a break in continuous coverage.

Reporting Requirements

Acreage Report: You must report to your insurance agent all the acreage (insurable and non-insurable) of grapes in the county in which you have a share (your share at the time insurance attaches), reporting the crop by type and varietal grouping.

Important Dates

| | |
|---------------------------------|-------------|
| Sales Closing | November 20 |
| Production Reporting Date | January 4 |
| Acreage Report Date..... | January 15 |

The dates shown above will apply to all Idaho, Oregon and Washington counties where grape insurance is available.

Administrative Fees

Catastrophic (CAT) Coverage: \$100 per crop per county.

Additional Coverage: \$30 per crop per county.

Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Production Guarantees

Yields are based on actual production records reported to your insurance agent and/or company. Contact your insurance agent for specific details.

Coverage Levels & Price Election, Choices by Varietal Groups

In Idaho, Oregon and Washington, an insured may select one price election and one coverage level for **each grape varietal group** specified in the special provisions. However, if an insured elects the CAT level of insurance for any varietal group, that level of coverage and price will be applicable to all insured grapes in the county.

Price elections are the price of compensation paid per ton in the event of a loss. For current prices, please contact your insurance agent. Price elections for each varietal group are not required to have the same percentage relationship to the maximum price offered by us for each varietal group (for example, if the insured chooses 100 percent of the maximum price election for one varietal group, they may choose 80 percent of the maximum price election for all other varietal groups).

Coverage levels are a choice of **50 to 75 percent** of your approved average yield (5-percent increments). Catastrophic (CAT) coverage is available at the 50-percent coverage level and 55 percent of maximum price election.

Pilot Coverage Enhancement Option (CEO) -

An insured may not increase the elected or assigned coverage level or the ratio of the insured's price election to the maximum price election offered if a cause of loss that could or would reduce the yield of the insured crop is evident prior to the time that the insured requests the increase.

CEO attaches to an MPCl policy and provides up to 80 and 85 percent coverage. If a loss is payable, this option retroactively reduces the MPCl deductible. Not available to insureds who elect the CAT Endorsement or price elections less than 100 percent of maximum. CEO is available for grape policies in Washington State (check with your crop insurance agent for specific details).

Loss Example

Wine Grapes

Assume 100-percent share; 70-percent coverage level; a 100-percent price election of \$900; and an average yield of 5 tons actual production history (APH).

| | |
|---------------|-----------------------------------|
| 5 | Tons |
| <u>x .70</u> | Coverage level |
| 3.5 | Tons per acre guarantee |
| <u>x 45.0</u> | Acres |
| 157.5 | Tons unit guarantee (or \$141,750 |

Liability)

| | |
|----------------|--|
| <u>-36.5</u> | Tons of actual harvested production |
| 121.0 | Ton loss |
| <u>x \$900</u> | Price election |
| \$108,900 | Indemnity Due Policyholder (less Insurance Premium Due) |

Where to Purchase

All MPCl, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA website at:

<http://www3.rma.usda.gov/tools/agents/>

Regional Contact for RMA

USDA/Risk Management Agency

Spokane Regional Office

112 N University # 205

Spokane, WA 99206

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